

Electronically Filed February 23, 2023

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
JEANETTE E. MCPHERSON, ESQ.
Nevada Bar No. 5423
NICHOLAS A. KOFFROTH, ESQ.
Nevada Bar No. 16264
ZACHARY T. WILLIAMS, ESQ.
Nevada Bar No. 16023
FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
Telephone: (702) 262-6899
Facsimile: (702) 597-5503
Email: baxelrod@foxrothschild.com
jmcpherson@foxrothschild.com
nkoffroth@foxrothschild.com
zwilliams@foxrothschild.com
Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-S-23-10423-MKN

Chapter 11

**DECLARATION OF CHRISTOPHER
MCALARY IN SUPPORT OF DEBTOR'S
MOTION FOR AUTHORIZATION TO
ENTER INTO NEW OFFICE LEASE
PURSUANT TO 11 U.S.C. § 105 AND 363**

Hearing Date: March 29, 2023

Hearing Time: 9:30 a.m.

Estimated Time for Hearing: 20 Minutes

I, Christopher Andrew McAlary, declare as follows:

1. I am the Chief Executive Officer ("CEO") of Cash Cloud, Inc. dba Coin Cloud (the "Debtor" or "Cash Cloud"), debtor and debtor in possession in the above captioned chapter 11 case (the "Chapter 11 Case").

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would

1 testify competently to the facts set forth in this Declaration.¹ I make this Declaration in support of
 2 the Debtor's Motion For Authorization To Enter Into New Office Lease Pursuant To 11 U.S.C. § 105
 3 and 363 ("Motion").

4 3. On February 7, 2023 (the "Petition Date"), the Debtor initiated its Chapter 11 Case by
 5 filing a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the
 6 "Bankruptcy Code").

7 4. The Debtor is authorized and intends to operate its business and manage its properties
 8 as a debtor-in-possession under section 1107(a) and 1108 of the Bankruptcy Code.

9 5. I am advised by counsel that this Court has jurisdiction over this Chapter 11 Case
 10 pursuant to 28 U.S.C. §§ 157 and 1334 and venue is proper in this United States Bankruptcy Court
 11 for the District of Nevada pursuant to 28 U.S.C. §§ 1408 and 1409.

12 6. As described in greater detail in the Omnibus Declaration of Christopher Andrew
 13 McAlary in Support of Emergency First Day Motions [ECF 19], the Debtor was formed as a
 14 Nevada corporation for the purpose of providing a platform for customers to buy and sell digital
 15 currencies through Digital Currency Machines ("DCMs") distributed across the United States.
 16 DCMs are an advanced version of the kiosks commonly referred to as Bitcoin ATMs or BTMs, that
 17 enable a consumer to both (a) buy bitcoin as well as 30+ other digital currencies with cash, and (b)
 18 sell digital currency for cash. As of December 31, 2022, the Debtor operated approximately 4,800
 19 DCMs, or kiosks, throughout the United States and Brazil, installed in some of the largest
 20 convenience, grocery and liquor store chains and prestigious malls.

21 7. On February 15, 2023, the Debtor filed the Debtor's Motion For Approval Of
 22 Rejection Of Unexpired Lease With TSSP LLC Pursuant To 11 U.S.C. § 365(a) And Abandonment
 23 Of Any Property That Remains At Premises [ECF 103] seeking authorization to reject the Debtor's
 24 office lease with TSSP LLC ("TSSP Lease") as of February 28, 2023. The Debtor sought to reject
 25 this lease because it was unaffordable and not beneficial to the estate.

26 ///

27
 28 ¹ Unless otherwise defined herein, all capitalized terms have the meanings ascribed them in the Motion.

8. Given the Debtor's decision to reject the TSSP Lease, the Debtor has been seeking a new office location. In addition, the Debtor has been seeking warehouse space for its equipment. Ultimately, the Debtor would like to move to one location that has both office and warehouse space, but the Debtor has not been able to find a location with both office and warehouse space that meets its needs and is currently available.

9. Given these circumstances, the Debtor, in its business judgment, has determined that it is in the best interests of the Debtor and its estate to enter into an agreement with WeWork ("WeWork Lease") for the lease of fully furnished office space located at Two Summerlin, 10845 Griffith Peak Drive, Las Vegas, Nevada, 89135 ("WeWork Space") for twelve months.

10. The key terms of the WeWork Lease are as follows:

- a) commencement date of March 1, 2023 and ending March 1, 2024;
- b) monthly payment of \$25,338.50 (this is \$29,810.00 monthly with a \$4,471.50 monthly discount); and
- c) payment of a security deposit in the amount of \$44,715.00 at the time of execution of the Lease.

A true and correct copy of the WeWork Lease is attached to the Motion as **Exhibit 2**.

10. The Debtor believes that there is a sound business purpose for entering into the WeWork Lease. The Debtor needs an office for its operations, and the WeWork Lease fits its needs and provides the Debtor with adequate, furnished space on a relatively short-term basis until more permanent space can be located. Given the circumstances, the Debtor submits that execution of the WeWork Lease is within the sound business judgment of the Debtor and is in the best interests of this estate and its creditors.

I declare, under penalty of perjury of the laws of the United States of America, that the foregoing statements are true and correct to the best of information, knowledge and belief.

Executed this 23rd day of February, 2023 in Las Vegas, Nevada.

/s/Christopher Andrew McAlary
Christopher Andrew McAlary